

# **Policies and Procedures Manual Monitoring Plan and Tools Community Services Block Grant Program**



John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

*The Community Services Unit has assembled the following monitoring guides and checklists in an effort to provide comprehensive procedures for monitoring agencies that are awarded subcontracts under the Community Services Block Grant program. These guides and checklists are a work-in-process. As new ideas and innovative techniques and procedures emerge, both through “hands-on” use by our Program Specialists and Fiscal monitoring staff, as well as the continual training and collaborating with others throughout the year, the guides and checklists are modified in an effort to make the monitoring process as efficient and effective as possible.*

# **COMMUNITY SERVICES UNIT POLICIES AND PROCEDURES MANUAL AND MONITORING GUIDE FOR CSBG PROGRAM**

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# SECTION I

## OVERVIEW



## **PURPOSE**

This guide is one of many resources to assist new and experienced CSBG Project Administrators (PA) of the CSBG in performing duties effectively and efficiently. The guide will help equip the PA with an overview of routine activities and offer responses to some commonly asked questions. Used in conjunction with monitoring plan, program policy manuals, federal Information and Action Memorandums, federal and peer-to-peer training and technical assistance sessions, and other available resources, the guide will enable a PA to design, direct, monitor, and evaluate programs that empower eligible entities to assist individuals and families in becoming self-sufficient, thereby strengthening communities throughout the State of Maine.

## **MISSION**

To enhance and improve the lives of Maine residents with low-income by designing quality programs that empower eligible entities to assist individuals and families in becoming self-sufficient, thereby creating communities that can attain and sustain a healthy economic structure and a viable standard of living for all citizens of Maine.

## **OVERVIEW**

The Office of Child and Family Service Division of Public Service Management at Maine Department of Health and Human Services administers the federally-funded grant Community Services Block Grant (CSBG) program through the Community Services Unit. In addition to CSBG, the Community Service Unit also administers nine (9) other federal grants.

The Community Services Block Grant program provides funds to designated eligible entities to alleviate the causes and conditions of poverty in communities throughout the State of Maine. The funds provide a range of programs, services, and activities to assist the needs of individuals with low-income including the homeless and the elderly. Maine has 10 community action agencies.

# **SECTION II**

## **COMMUNITY SERVICES PROGRAM FUNCTION**



## **CSBG COMMUNITY SERVICES PROGRAM FUNCTIONS**

### **A. Program Administration/Policy**

- Monitor federal directives and clarifications;
- Research and analyze federal policy impact;
- Develop and disseminate policies and procedures;
- Direct implementation of policies and procedures;
- Identify program trends and services;
- Evaluate program effectiveness;
- Develop, revise, and submit state plans;
- Consult with federal liaison and participate in required teleconferences;
- Monitor program compliance;
- Provide technical assistance to contract agencies;
- Gather and review quarterly contractor reports;
- Monitor and evaluate program outcomes based on contractor reports (monthly, quarterly, annually and upon request);
- Write and update program manuals;
- Participate and respond to state, federal, and internal audits;
- Attend required national and local workshops, conferences, and meetings;
- Develop, disseminate and perform outreach for program participation;
- Collaborate with other departmental units, offices and divisions on policy changes and revisions;
- Form partnerships with other states to address shared program activities and concerns;
- Membership in required national organizations to access national program resources;
- Make presentations on DHHS programs at national conferences
- Attend and make presentations at contractor meetings, conferences, and community events; and
- Form partnerships with community organizations with shared goals and interests.

### **B. Budget Management**

- Monitor congressional and presidential budgets, to determine program impact and grant award;
- Disseminate grant award notices to DHHS budget and contract staff;
- Request program and project budget numbers/identifiers;
- Allocate funds according to service needs;
- Monitor unit administrative expenditures;
- Monitor contractor's quarterly expenditures; and
- Monitor, analyze, and assist in fiscal adjustments in contractor budgets;
- Prepare and submit budget and program reports as needed or required to federal, department, division, and private non-profit partners;
- Prepare and submit contract amendments as needed; and

- Review and allocate funding for system changes and personnel.
- C. Contract Management
- Issues Request for Proposal, as needed;
  - Prepare and conduct contractor training;
  - Prepare and disseminate contract packages and service provision guidelines;
  - Review and evaluate contractor needs assessments, project plans, service plans, and budgets;
  - Prepare contracts for submission for management and budget approval and execution;
  - Evaluate program performance outcomes, monthly, quarterly, and annually;
  - Conduct onsite monitoring visits tri-annually at a minimum and as needed for technical assistance;
  - Assess and evaluate program and contract deliverable compliance; and
  - Request, evaluate, and approve corrective actions as needed.
- D. Data Management and Analysis
- Consult and coordinate with Office of Technology, USM, and contractor personnel to ensure effective and efficient data capture and processing;
  - Identify and develop requirements for computer system changes;
  - Review and approve computer system design specifications;
  - Review reports, and analyze data to evaluate program effectiveness, clarifications, and funding changes;
  - Use data to submit federal and state reports; and
  - Analyze data for strategic planning.
- E. Management
- Performance planning with other staff;
  - Coaching/Mentoring;
  - Training, education;
  - Conferences, meetings, continuing education opportunities.
- F. Training
- Attend NASCSP Fall and Winter Training Conferences for CSBG State Administrators and orientation for new CSBG PA ;
  - Attend CAP, CAPLAW, and other national training conferences as appropriate to program needs and budget; and
  - Participate in webinars.
- G. Collaborative
- Form partnerships with public, private, and government agencies, as well as community based organizations; and



- Coordinate and serve as a liaison to program advisory councils, steering committees and other authorities.

H. Strategic Planning

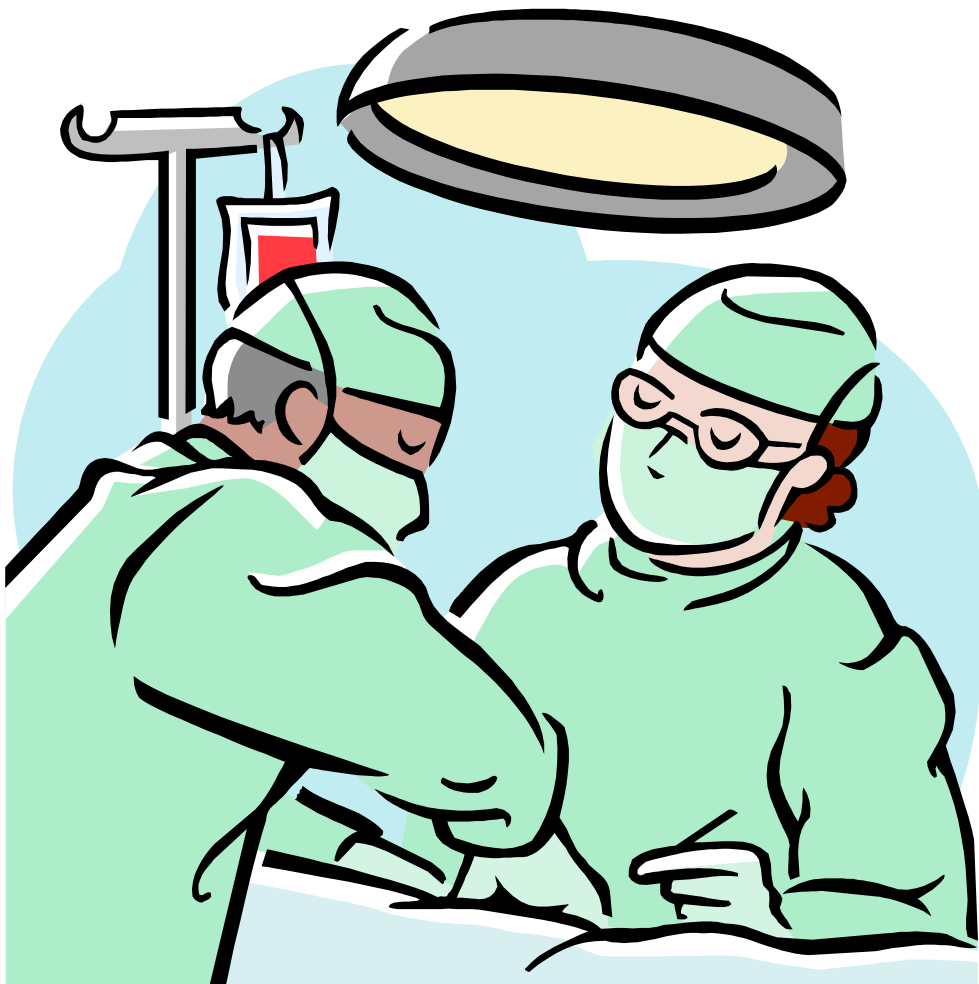
- Evaluate program goals, objectives, and outcomes;
- Develop plans and timelines for upcoming fiscal years; and
- Identify short, mid, and long-term program needs and goals.

I. Allocation of Funds to Eligible Entities

- Allocations for federal fiscal year programs for CSBG are completed based on the previous years official grant award from the Federal Department of Health and Human Services and adjusted if needed after receipt of actual year NOGA. Allocations are based on an historical funding formula for each program.
- The CSBG PA, with support from the Program Fiscal Coordinator will develop the yearly allocations based on this funding formula.

## SECTION III

### PROGRAM OPERATIONS



## **STATE PLAN ACTIVITIES**

The State plan and application for CSBG funds are developed by the Community Services Unit every two (2) years. A revision to a state plan is required, if significant changes to the content or intent of the approved plan is proposed. Plans are due to the Federal Office of Community Services, Division of State Assistance for approval at the federal level.

The major components of the plan include:

- The federal fiscal year designation;
- A formal letter of transmittal;
- Executive summary; and
- Statement of Federal CSBG Assurances (Maine will comply with statute requirements).

The funding source must be assured that the state has adequate systems in place, to properly administer the grant both financially and programmatically, and to provide oversight of the eligible entity.

Adequate time for review of this document by all interested parties (the public, department, division, Office of the Governor, etc.) must be allowed.

At least once a year, CSBG unit staff will coordinate and update CSBG Maine State Plan as appropriate or as needed.

## **PROGRAM OPERATIONS**

Each contract agency must submit annual documents outlining how CSBG will be utilized. These documents are reviewed and approved by DHHS for clarity, feasibility, adherence to statute and state plan goals, and assurances and outcomes.

**CSGB program operations** are contained on individual work plan that each agency must submit for every CSBG program operated. Mandatory elements of the CSBG work plan include:

- CSBG Statute Service Category;
- Program Description;
- Date and Method of Needs Assessment;
- Activities/Services, Units to Serve, Expected Outcomes, ROMA Goal, Direct Measure Indicator, Unit Type, Number in Need, Number Expected to Achieve and the Measurement Tool(s); and
- Budget Information (CSBG and all other funding).

## **SECTION IV**

### **Division of Purchased Services**



## Division of Purchased Services

The DHHS Division of Purchased Services will contract with eligible entities annually to operate the CSBG Program. The legally binding contract contains all necessary requirements and agreements between the department and the eligible entity board of directors. Additionally, the contract also contains deliverables or required activities, documents, and assurances that each eligible entity must abide by, in order to remain in compliance with the executed contract. Community Services Unit program coordinator for CSBG will integrate Purchased Services contract non compliance procedures/actions with IM 116: Termination Guidance on community action termination or reduction of funding for CSBG legal entities.

<b>REQUIREMENT</b>	Community action agencies that contract with DHHS must conform to the standards and requirements imposed by federal and state law and the DHHS Purchased Services.  These requirements are defined in the Single Audit Act Amendment of 1996, OMB Circular A-133											
<b>BASIC CONSIDERATION</b>	The status of a contract can be: <ul style="list-style-type: none"><li>• In Process</li><li>• Encumbered</li><li>• In Compliance</li><li>• In Non-Compliance</li><li>• In Suspension</li><li>• Terminated</li></ul>											
<b>CONTRACT PROCESSING</b>	<table><tr><th>WHO</th><th>WHAT</th></tr><tr><td><b>DHHS – Purchased Services Agreement Administrator</b></td><td>Emails the CAA listing proposed allocation amount and documents needed to be completed. This includes the budget forms, Riders A &amp; E, and the National Performance Indicators document.</td></tr><tr><td><b>CAA</b></td><td>-Submits the required documents to the Agreement Administrator for review</td></tr><tr><td>Administrator</td><td>-Forwards the contract and budget to the CAA for appropriate signature</td></tr><tr><td>CAA</td><td>-Obtains appropriate signatures -Returns signed contract and other necessary signed documents to the</td></tr></table>		WHO	WHAT	<b>DHHS – Purchased Services Agreement Administrator</b>	Emails the CAA listing proposed allocation amount and documents needed to be completed. This includes the budget forms, Riders A & E, and the National Performance Indicators document.	<b>CAA</b>	-Submits the required documents to the Agreement Administrator for review	Administrator	-Forwards the contract and budget to the CAA for appropriate signature	CAA	-Obtains appropriate signatures -Returns signed contract and other necessary signed documents to the
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<b>CONTRACTUAL NON-COMPLIANCE</b>		DHHS Agreement Administrator.
	Agreement Administrator	-Forwards approved and encumbered contract to the CAA
	<b>IF</b>	<b>THEN</b>
	Contractor's performance fails to meet contractual requirements	-The state office will identify deficiencies -Notify the agency in writing of the deficiencies and the need for the agency to submit in writing a corrective action plan addressing specific planned corrections AND a timeframe for completion of the corrective actions.
	Upon review of the corrective action plan by the state office, the plan meets approval	-The state office will provide technical assistance and/or site visits to monitor progress and assist with the plan.
	Upon review of the corrective action plan by the state office, if the plan does NOT meet approval	-The state office will provide technical assistance and/or site visits to develop a corrective action plan that will correct contractual deficiencies in a timely manner.
	The CAA fails to correct the deficiencies in a timely manner	-Payment will be withheld to the CAA, until the CAA is in compliance with the Corrective Action Plan.
<b>CONTRACT SUSPENSION</b>	The CAA fails to meet contractual requirements	-The contract will be terminated -A refund to the state of any outstanding balances based on system figures must be made by the CAA.
	<b>IF</b>	<b>THEN</b>
	The CAA fails to substantially provide the quality of services required, or	-The state will move to suspend the contract -Notify the CAA Board of the contract suspension -Halt payment of any expenditure

<b>CONTRACT TERMINATION</b>	does not meet the specified completion schedule of duties required under the contract	from the date of the suspension.
	<b>IF</b>	<b>THEN</b>
	The state office exercises the right to terminate the contract	-The CAA will be notified in writing, specifying the reason for the termination and the effective date of the termination.
	Upon termination of the contract	-The CAA must not incur any new expenditures.

## SECTION V

### PERFORMANCE REPORTING





## **PERFORMANCE REPORTING/DESK MONITORING**

The PA maintains continued involvement after the approval and contract execution.

Routine activities of a PA include:

- Evaluation of current program performance and compliance problems;
- On-going analysis of economic and social trends, demographics, and community needs;
- Completion and review of budgetary modifications and;
- Compilation of program performance information that will allow for the timely; response to program inquiries and fulfillment of funding source reporting requirements;

Each program fulfills the overall goal of assisting Maine residents with low-incomes in becoming self sufficient, yet each has its own set of rules. Therefore, the method by which a PA goes about fulfilling the routine activities may be different, yet the results are the same: A well designed program that is customer friendly, meets the needs of the state, and is in compliance with funding source rules and regulations and achieves desired client outcomes.

## **DOCUMENTATION**

The PA should maintain adequate documentation on information that will be viewed during any review/monitoring visit by the funding source, that supports decisions made, responses to inquiries, collaborative efforts, etc. When program evaluations, analysis, budget reviews, and reporting requirements are completed it is helpful to file the back-up documentation that aided in the determination so that justifications for changes in program activities, budgets, and future program direction is available for referencing.

PA and support staff jointly ensure that program files are maintained and appropriate information is filed. Original copies of expenditure/reimbursement requests are reviewed, approved, and forwarded by the PA to the appropriate budget/financial unit. Copies of these documents, as well as the supporting programmatic documents, should be maintained in unit files.

## **COMMUNICATION**

The PA should, as often as necessary, schedule meetings with the CSBG Administrator and other team members to discuss new ideas for the future and recommendations on current program activities. This allows everyone the opportunity to provide feedback and discuss areas needing clarification or is cause for concern.

## **CONTINUING EDUCATION**

The PA is required to stay current of changes in program regulations and guidance, discuss these changes with the team, and incorporate them into the policy and procedure manuals and the monitoring tool. Resources available include DHHS and other federal websites, NASCSP, CAPLAW, and NCAP, as well as other advocate websites and related sites.

Professional training and development and attendance at local, regional, and national conferences that help align job performance with program objectives are encouraged.

## **TRAINING AND TECHNICAL ASSISTANCE**

The PA is responsible for identifying training needs of the eligible entities. In many cases, the PA can determine the training needs by reviewing monitoring documents, analysis of performance data, talking with liaisons, desk and onsite reviews, and interviewing eligible entities.

The PA identifies the most efficient and effective mode of training and offers, after consultation with the CSBG Administrator, these training and technical assistance opportunities as frequently as deemed necessary.

Most programs provide application and implementation trainings. In addition, attendance at eligible entity quarterly board meetings is encouraged throughout the year, to maintain communication with eligible entities on current or new issues.

The PA should be available to respond to requests for technical assistance. The eligible entities may have questions regarding the execution of an activity required under the program guidelines. It is a priority of the PA to provide clarification and respond to questions. This also provides an opportunity for the PA to evaluate what is working and what is not.

## Section VI

### Q & A



## **FREQUENTLY ASKED QUESTIONS**

### **Where can I get the history of the program?**

Typically, the most valuable information can be obtained by visiting the funding source website, reviewing previous state plans, attending program conferences, and if available speaking with experienced staff familiar with the programs.

### **What is the Office of Child and Family Service's vision for the program?**

The Office of Children and Family Services has a mission statement, and the Community Services Unit's Mission Statement is at the beginning of this document.

### **What has prompted previously made program decisions?**

To learn the rationale behind a program's design, read the program's rules and regulations, review files from previous program years, contact a co-worker familiar with programs and regulations, seek community input through community needs assessment.

### **What are the reporting requirements for an eligible entity?**

It is important whenever possible to minimize the amount of time an eligible entity spends reporting. The amount of program data and reporting should be funding source requirement(s) or information necessary to document the agency's progress toward meeting goals. Funding sources occasionally send requests to the states to collect additional information from the eligible entities. Expenditure and programmatic report submission requirements of the eligible entity are found in executed contracts and related program policy manuals.

### **What are my deadlines?**

Become familiar with the timeline(s) for scheduled activities and any weekly, monthly, quarterly, and annual reporting and training requirements.

- In some cases, program rules will identify timeframes in which specific activities must occur. It is the responsibility of the PA to ensure compliance with these requirements.
- Time needed to route a document for approval or to prepare for a meeting should be factored into the time needed to accomplish a task.
- NOTE: All documents are considered "DRAFTS" until approved by the appropriate person(s).

### **How do I keep up with everything that needs to be done?**

A PA may be responsible for more than one program. Organization is key. Identify program deadlines and requirements and coordinate activities accordingly.

### **Why is internal routing of my work necessary?**

As a state agency, it is extremely important that we are good stewards of public funds and administer programs in an efficient and effective manner. To accomplish this goal, it may be necessary to involve co-workers who are knowledgeable in proper procedures for handling certain activities. The person to whom a document should be routed will be dependent upon the nature of the issue; for example, we often route contracts to DHHS legal council for approval of new or updated contract language.

### **Who can help me get answers to questions?**

The Community Services Program Administrator can provide you with information on the national perspective and the State Department's program vision, questions about travel procedures, training documents, distribution of information and needed guidance on program decisions, budgeting issues, marketing, and policy information.

DHHS Purchased Services can respond to questions regarding status of contracts, budget codes, and contract amendments. Program Fiscal Coordinator can provide information on budgetary processes of the division and programs. Purchased Services Agreement Administrator is available to provide information on the status of contracts, make available draft contracts for review, and other contract related questions. Audit staff can respond to eligible entity audit issues.

### **What are some areas that a PA should routinely address as a part of the job?**

- Are there any program compliance issues that are being addressed?
- Is this policy I've developed something that the agencies can achieve?
- Is the rate of expenditures versus program results consistent?
- What are the results of performance reporting data?
- New program rules.
- Program contracts not closed out by deadline.
- Agencies who have failed to submit reports by due date.
- Eligible entity compliance issues.
- Updates to be added to the monitoring tool.
- Copies of funding lists.

**Sometimes I need a second set of eyes to proof my work. Can I ask someone else to review my work?**

We work as a team, and if at any time you will benefit from having another person look at your work, always feel free to ask and give a deadline by which you need to have it back. If that person is unavailable ask another team member. Peer to peer review of output and deliverables as well as conducting training and technical assistance and monitoring visits with one or more team members help achieve consistency in the unit's performance, outputs, and outlook.

## **SECTION VII**

### **OVERVIEW OF MONITORING**



## **OVERVIEW OF MONITORING**

### **MONITORING OF ELIGIBLE ENTITIES**

Federal statute requires the monitoring and oversight of CSBG program operations conducted by the contractor agencies.

The CSBG Administrator's goal when monitoring the contract agencies is to support the contract agency's health and stability, ensure proper program implementation, safeguard the expenditure of state and federal funds and facilitate efforts toward poverty alleviation through diligent, thorough and constructive monitoring as well as technical assistance.

A CSBG monitoring tool is required to be used for agency monitoring visits. Each applicable area of this document should be completed and with all supporting documentation retained in the state office files.

### **Federal Requirement**

The CSBG Act of 1998 requires the State CSBG office to monitor designated local community action agencies at least once every three years (42 USC Chapter 106, Sec 9914(a)).

### **State Legislation**

The State of Maine has designated the Department of Health and Human Services, the lead agency to administer the Community Services Block Grant Program in Maine pursuant to Public Law Section 676B(a)(1), Maine Revised Statute Title 22, Chapter 1477: Community Services.

### **Definition of Monitoring**

The DHHS Office of Child and Family Services, Division of Public Service Management, Community Services Unit (CSU) defines monitoring as a comprehensive approach to ensuring compliance with Federal regulations governing the CSBG program including reviewing, assessing, evaluating, and improving the quality and types of services provided by CSBG sub-recipients to individuals and families with low-income.

### **Guiding Principles to Monitoring**

- **Mutual Respect** – In working with local boards, staff, and consultants, CSU recognizes and will value the unique knowledge, ability, and independence of each person. We are committed to treating all persons fairly and maintaining credibility by matching actions with words.
- **Open Communication** – Effective communication is critical in facilitating good, working relationships amongst partners, and CSU is committed to keeping lines of communication open. The purpose of our communications is to assist in developing solutions to problems, to share program improvement ideas, and to provide information on new developments in the anti-poverty field. We will communicate frequently through a variety of tools and media. CSU is committed



to listening to suggestions and concerns, to gaining an understanding of local operations, and to assisting local CAAs in pursuing their priorities.

- **Joint Problem Solving** – CSU believes that a team approach to problem solving is in the best interest of all parties involved and that collectively, CSU, the CAA, and our other community action partners can arrive at the best solution to any situation. Through a team approach to problem solving, we can come up with the best strategies for program development, conflict resolution, and compliance issues. CSU intends to promote an environment in which our unit and all our community action partners will be open to change and can work together in exploring options and developing mutually, agreeable solutions. The goal is to have agencies function independently but with CSU support, in an effort to meet the needs of local communities within the parameters set by legislation.

## **Monitoring Methodology**

The Program Specialist, Community Services Coordinator, is the key contact person between CSU and the CAAs. This individual, in partnership with the Agreement Administrator at Purchased Services, performs ongoing monitoring through desk reviews of the agencies' quarterly program performance and financial reports.

In addition to ongoing desk reviews, the following tools, checklists, and guides are currently used by the CSU to monitor the financial, programmatic and administrative compliance of sub-recipients awarded funding under the Community Services Block Grant program. These guides and checklists were developed over a period of several months, utilizing information from various resources, including a review of the monitoring tools used by several other states and through participation in the CSBG Monitoring Workgroup sponsored by NASCSP.

## **Introduction to CSBG Monitoring Tools**

The *CSBG Pre-Visit Questionnaire* and *Internal Control Questionnaire* are sent or emailed to the CAA at least two to four weeks in advance of the onsite visit. We have found this method to be quite effective as a representative from the CAA provides responses in advance, allowing the Program Specialist or Fiscal Monitor an opportunity to review the information before the actual onsite visit and customize the review planning process. An electronic version of these tools has been developed to facilitate the response of the CAA within the context of the documents.

The *Monitoring Tool for Program Specialists* is used for interim monitoring visits and focuses on reporting, governance, client eligibility, and program operations.

The *CSBG OnSite Fiscal Monitoring Guide* is used for the required periodic (at least once every three years) full onsite reviews. This tool was designed to help keep the review process focused and methodical. Areas addressed during the onsite fiscal review

include internal controls, financial policies and procedures, cost allocation and time distribution plans, compliance with OMB Circulars, results of prior audits and prior monitoring reviews, automated accounting system and current operating environment, board of directors involvement, and overall financial management of the organization.

The ***Internal Control Evaluation Checklist*** is usually completed after reviewing a sampling of transactions and working through the Fiscal Monitoring Guide. In working with this tool, frequent reference should be made to the information provided by the CAA in the Internal Control Questionnaire obtained prior to the onsite visit. The primary objective of this tool is to determine if the agency is truly operating under the internal controls it "thinks" it has in place, per the information provided in the questionnaire.

The CSU believes that collectively these tools provide the framework for a comprehensive review of CAA board governance, planning, evaluation, partnering and collaboration efforts, administrative systems, and fiscal procedures.

**SECTION VIII**

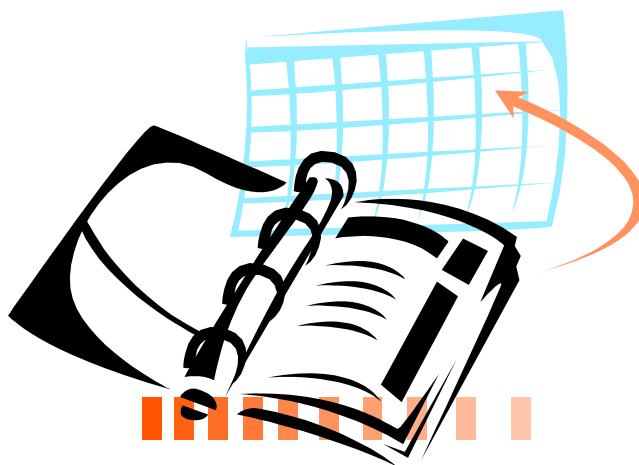
**PROCEDURES FOR SCHEDULING**

**AND PREPARING FOR**

**THE ONSITE FISCAL**

**AND**

**PROGRAMMATIC REVIEWS**



## **Procedures for Scheduling and Preparing for an Onsite Review**

### **Planning the Onsite Visit**

Notify the agency via telephone at least two weeks in advance of the planned visit. Ask for input from the sub-recipient's Executive Director/Project Director to select specific date and time and to develop an agenda that serves the needs of all parties.

### **Prepare the following documents:**

#### **Written Notice of Onsite Review with appropriate enclosures:**

##### **Program Specialist:**

- ☐ Onsite Programmatic Review (PS Onsite Visit Notification.doc)
- ☐ Pre-visit Questionnaire (CSBG pre-Visit Questionnaire.doc)

##### **Fiscal Auditor:**

- ☐ Onsite Fiscal Review (Fiscal Review Notification.doc)
- ☐ Internal Control Questionnaire (Internal Control Questionnaire.doc)

#### **Send, fax, or email the Notice and Questionnaire(s) to the agency confirming:**

- ☐ Date, place, and time where the site visit will be conducted;
- ☐ The purpose or objective of the visit;
- ☐ The agenda;
- ☐ Individuals to be interviewed or involved in the visit;
- ☐ Documents, data, and systems to be reviewed; and
- ☐ Request input from agency on other topics to be covered.

#### **Other Pre-visit Preparatory Tasks:**

##### **Review pertinent materials in the agency's contract file including:**

- ☐ The contract;
- ☐ Scope of Work;
- ☐ Approved budget by ROMA categories;
- ☐ Quarterly Program Performance and Financial Reports; and
- ☐ Additional Reports required in the contract.

Note timeliness of agency's submission of required reports, review previous site visit reports including any follow-up documentation, review agency's most recent independent audit report, and any other available monitoring reports such as Head Start PRISM.

Gather all forms, instruments, and other information needed for the site visit, such as monitoring tools checklists for programmatic and administrative points and guides.

**[SAMPLE NOTIFICATION LETTER FOR PROGRAMMATIC REVIEW]**

[Date]

[Contract Person]

[Agency]

[Mailing Address]

[City, State and Zip Code]

**Re: FY CSBG Monitoring Notification Confirmation Letter**  
**Contract# [insert contract #]**

Dear [insert name]:

The State Community Services Unit (CSU) will be conducting an onsite monitoring visit with your agency regarding the Community Services Block Grant program for **fiscal year [insert date]**. The visit is scheduled for **[Day, Month and Year at Time]**. A Pre-Monitoring Visit Questionnaire is attached along with your contract for this fiscal year. To assist me in preparing for this onsite visit, please complete the Questionnaire and return back to me by 5:00 p.m. **[Month, Day and Year]**.

This onsite visit should take approximately one day. Attendance at a Board Meeting will be scheduled at a later date. The purpose of this visit is to review and discuss the following documents for program compliance:

- ✓ Your agency's current program application/work plan/amendments;
- ✓ Award notification(s) and executed contract CFS-09-700\_;
- ✓ Any relevant correspondence regarding the CSBG contract; and
- ✓ For review and discussion – program performance reports, client files, and other documents pertaining to this program for FY08-10.

I am looking forward to meeting with you, any of your staff, and board members you wish to be in attendance for this visit. Please feel free to call me if you have any questions or concerns regarding my upcoming visit.

Sincerely,

Christine Merchant, CCAP  
CSBG Program Coordinator  
Supervisor, Community Services Unit

**State Community Services Unit  
Community Services Block Grant  
Pre-Visit Questionnaire**

**Agency:** \_\_\_\_\_ **Contract Number:** \_\_\_\_\_  
**CSU Program Specialist:** \_\_\_\_\_ **Review Date:** \_\_\_\_\_  
**Agency CSBG Representative(s):** \_\_\_\_\_  
**Completed By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
Counties being served by agency: \_\_\_\_\_

**General Information**

Who handles the oversight responsibilities related to the agency's CSBG program?

Have these responsibilities changed within the last three years? How?

***Indicate which Federal Objectives are being met CSBG funding:***

(Section E. CSBG IS Survey for Program FY\_\_)

- |                            |                          |
|----------------------------|--------------------------|
| 1. ____ Employment         | 6. ____ Nutrition        |
| 2. ____ Education          | 7. ____ Linkages         |
| 3. ____ Income Management  | 8. ____ Self-Sufficiency |
| 4. ____ Housing            | 9. ____ Health           |
| 5. ____ Emergency Services | 10. ____ Other           |

***Indicate which National Goals are being met through CSBG program operations:***

1. \_\_\_\_ People/persons with low-incomes become more self-sufficient.
2. \_\_\_\_ Conditions in which people/persons with low-incomes lives are improved.
3. \_\_\_\_ People/persons with low-incomes own a stake in their community.
4. \_\_\_\_ Partnerships among supporters and providers of services to people/persons with low-incomes are achieved.
5. \_\_\_\_ Agencies increase their capacity to achieve results.
6. \_\_\_\_ People/persons with low-incomes, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

***Briefly describe the collaboration that occurs to address poverty issues throughout the various areas served:***

***Confirm submission of required Rider A reports:***

1. \_\_\_\_\_ Quarterly Performance Reports
2. \_\_\_\_\_ Quarterly Financial Reports
3. \_\_\_\_\_ Agreement Settlement Form
4. \_\_\_\_\_ Community Needs Assessment
5. \_\_\_\_\_ Most recent Annual Report
6. \_\_\_\_\_ NASCSP CSBG/IS Survey data for previous Program Year
7. \_\_\_\_\_ Board membership list by sector indicating date of appointment/election and term of office, due at contract renewal
8. \_\_\_\_\_ Head Start Annual Report to the Public if applicable.

***Prepare documentation to demonstrate evidence of Rider E Program Requirements:***

1. Annual Board training specific to Tripartite Boards.
2. Child support services and referrals
3. CAA Program Regulations; 150% income eligibility

***Since FY07, List reviews from any public funding source that have taken place at your agency. Indicate which one(s) if any, had findings. Verify/send copies of those reviews, as well as those of Head Start and LiHEAP.***

***Since FY07, Indicate what/if any changes to By Laws, Strategic Plan, Employee or Fiscal Policies have been made. Conducted any agency self-evaluation/assessment other than Pathways? Verify/Send copies of those changes/documents.***

***List of all current staff members (including title and description of CSBG role) with CSBG funded positions (any amount) and % time allocated to CSBG.***

***Provide the schedule and electronic minutes of Board of Director Meetings for each fiscal year FY08- FY10.***

- Indicate which set of minutes, training relevant to Tripartite Boards or ROMA was referenced in each FY.
- Indicate which set of minutes, the CSBG ARRA Risk Assessment Acknowledgement was referenced (due 10/15/09).
- ***Provide a compilation of board attendance at meetings during this timeframe, indicating meetings that lacked a quorum and vacancies by period of time and sector.***

***Provide the following information regarding the agency's current Board composition:***

Type of Board Member	# of Seats	# of Vacancies	% of Total Board
Elected Public Officials			
Low-Income Representatives			
Private Sector Representatives			

*Please have a copy of the Agency's most recent Board Roster available for review by the CSU Program Specialist and/or Fiscal Reviewer.*

**Tripartite Board**

Are Board members made aware of their roles and responsibilities regarding CSBG program operations? How?

Are Board members trained in ROMA?    ☐ Y    ☐ N

When/what was the most recent ROMA training for the Board conducted?

What role does the Board have in review/approval/revision of the annual CSBG work plan, National Performance Indicators, and Variance Reports?

**Sub-Contractors / Sub-Grantees (ARRA)** (if appropriate)

Does the agency subcontract for any of the CSBG program services provided? ☐ Y ☐ N

How many subcontracts has the agency entered into for the current CSBG program? \_\_\_\_

Who handles the oversight responsibilities for the agency's subcontractors?

Briefly describe how CSBG funds are allocated to and utilized by the agency's subcontractors:

Is there documentation of participation by people/persons with low-incomes and/or homeless individuals in the planning process?

Are contracts with all subcontractors available for review by CSU staff?    ☐ Y    ☐ N

How often does the agency monitor its subcontractors?

Briefly describe the monitoring process for subcontractors:

Does the agency require all subcontractors to submit periodic, detailed reports which provide information necessary for the agency to complete timely and accurate reports as required in its contract with CSU?

Does the agency provide ROMA training for all of its subcontractors?

When was the last ROMA training conducted for subcontractors?



## **Client Files**

If applicable, select one program that receives CSBG funds – Section E of the IS Report FY\_\_ and maintains client files and income eligibility: \_\_\_\_\_).

Are client files complete, onsite, and available for inspection by CSU staff? ☐ Y ☐ N

Do client files contain the following documents and information?

- \_\_\_\_\_ Intake application (including demographic data)
- \_\_\_\_\_ Household income (including verification at 150-200% poverty guidelines)
- \_\_\_\_\_ Type of service or assistance
- \_\_\_\_\_ Date(s) of service
- \_\_\_\_\_ Plan for moving the client toward self-sufficiency
- \_\_\_\_\_ Follow-up information
- \_\_\_\_\_ Review of service(s) provided and impact on the individual or family
- \_\_\_\_\_ Referrals and follow-up

Does the agency have a posted grievance process for those denied services? ☐ Y ☐ N

What procedures does the agency have in place regarding denial of services to applicants determined ineligible for services?

Has the agency received any grievances regarding the CSBG program? ☐ Y ☐ N

## **Program Operations**

Briefly, what is the agency's current assessment of its progress towards accomplishing the objectives of its CSBG program as stated in the application, work plan, and/or variance reports?

How/often does the agency perform a community needs assessment, to prioritize its programs and ensure that those with greatest need are being served? What changes/improvements to the CNA process have been made since 2007?

Are all client service locations and meetings accessible to persons with disabilities?

Are there any unresolved findings or compliance issues previously brought to the agency's attention as a result of contract reviews, audits, or other matters since 2007?

What technical assistance and/or training do the agency and/or its subcontractors currently need?

What service gaps do the agency and/or its subcontractors encounter?

## **Agency Self-Assessment in lieu of Pathways Feedback Report**

*The CSBG Monitoring Workgroup comprised of NASCSP members has developed a section that requires a Self-Assessment of the Agency's Overall Performance and vision for future operations. The extent to which the agency sets performance goals within the ROMA framework, systematically collects and analyzes data on performance measures, and adjusts its short-and lon-range plans on that analysis constitutes significant evidence of the agency's commitment to making a difference for the individuals and families it serves and the communities in which it works. In order for an agency to be truly healthy, it must be continually striving to find better ways to use programmatic resources to help people move out of poverty.*

How is the agency looking for new and better ways to do its work from ways it has been done for years i.e. in what ways has the agency shifted its ways of doing business/work in response to new data/emerging best practices/new conditions/input from planning processes, etc., particularly in the last three years?

How is the agency striving to integrate service delivery throughout the organization by breaking down "silos" of program-specific delivery systems? Give example(s).

Are there any services available in the community being duplicated by the agency?

How is the agency partnering with other agencies in the community to strengthen services and provide a community-wide approach to address the needs of those seeking services? Give example(s).

How do programs operated by the agency contribute to the agency's overall mission, and does each program achieve measurable outcomes that help to change/improve the lives of people/persons with low-income?

How does communication flow within the agency? Who are the primary communicators, and how do they let people know what is happening?

What changes/improvements have been made to the agency's website since FY07; does it include recent data, results, reports, self assessments, strategic plan, etc.?

What is the morale of the staff in the organization? What is the staff turnover rate over the past several years?

What types of supervision does staff receive, and how often does supervision occur?

How often does the agency conduct performance appraisals of its staff?

Can staff articulate the mission of the agency?

What does the agency's organizational structure look like, and how does each department/division/program within the agency contribute to the goal of helping people move out of poverty? (Attach current organizational chart)

Do program directors create and monitor their own budgets?

Does the agency have a strategic plan (when was it last updated)?

Who was involved in creating the strategic plan?

Is the agency's staff aware of the plan and how their jobs contribute to fulfilling the plan?

Some agencies act like a "lone ranger", isolated from community partners and potential allies, to fully engaged and collaborative. Where and how does your agency fit along this spectrum in the service area covered?

Is the Executive Director actively involved in community partnerships and collaborations (by engaging in collaborative efforts with community partners – not just attending meetings)? How?

How is staff other than the Executive Director involved in community partnerships and collaborations?

## [SAMPLE NOTIFICATION OF FISCAL REVIEW]

[DATE]

[Executive Director/Program Director]  
[Community Action Agency]  
[Street Address]  
[City, State and Zip]

Subject: Notice of Onsite Fiscal Review

Dear [Name],

This letter is to confirm that the Community Services Unit of the Maine Department of Health and Human Services Office of Child and Family Services (the Department) will be conducting an onsite fiscal review commencing **MONTH, DAY, YEAR** regarding Community Services Block Grant (CSBG) Agreement Number CFS-09-70\_\_ for the award period October 1, 2008, to September 30, 2009, and CSBG Agreement Number CFS-10-70\_\_ RA for the award period July 1, 2009, to September 30, 2010.

The purpose of this review is to conduct an agency-wide financial assessment, including a review of internal controls, fiscal and administrative policies and procedures, as well as a review of contractual and financial compliance with the terms of our agreements.

As our review will be system wide, the Department will comply with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. OMB Circular A-133, §\_\_.215 (a) requires that any additional audits (or reviews) of the agency be planned and performed in such a way as to build upon the work performed by other auditors. We will need your agency to request from your independent auditor, \_\_\_\_, copies of all internal control work papers generated during your single audit for the year ended September 30, 2009. In addition, if CSBG agreement CFS-09-70\_\_ was audited as a major program for the year ended September 30, 2009, we will need copies of all work papers related to the testing of the CSBG program.

The monitoring process will involve a review of the internal controls of the agency, including any recent risk and/or fraud assessments performed by the agency. We will review CSBG expenditures and payrolls and will be comparing the CSBG accounts to the quarterly and final reports submitted to the department. We will also review general and administrative costs charged to the CSBG grants. As applicable, we will test compliance with the grant agreements, to ensure all activities are allowed, all costs are allowable, all funds are used within the period of availability, reports submitted to the Department are accurate and timely, and all sub recipients, if any, are properly monitored.

During the course of my visit I will also need to review the following:

- Contract files for the CSBG programs, including the scope of work and all correspondence;
- Indirect cost rate/cost allocation plan and worksheets;
- Contracts with subcontractors and sub-grantees, if applicable;
- Detailed general ledger for CSBG programs;
- Detailed general ledger for administrative costs;
- Policies and procedures manual; and
- Human Resources (payroll) manual.

I look forward to meeting with you and your staff. It is anticipated that the onsite portion of my review will be completed within two days. However, any significant findings may delay this process. It is anticipated that a final report will be distributed to you within 30 days of the completion of the onsite visit.

Should you have any questions regarding this upcoming fiscal review, please contact me at (207) 287-2775.

Sincerely,

~~Carol P. Thompson, CPA~~

OCFS/PSM/CSU Fiscal Reviewer/CSBG  
Program Audit Manager – Social Services  
Maine Department of Health and Human Services  
Financial Services – Audit  
#11 State House Station  
Augusta, Maine 04333-0011  
Telephone: (207) 287-2775  
Facsimile: (207) 287-2601  
[Carol.Thompson@maine.gov](mailto:Carol.Thompson@maine.gov)

CC Christine Merchant, CSBG Program Coordinator  
Supervisor, Community Services Unit

DHHS Division of Audit  
CSBG Fiscal Monitoring

<u>Items to be provided by Agency in advance</u>	<u>Items needed on site</u>
Chart of Accounts	Trial balance for CSBG from 10/1/2008-9/30/2009.
Policies and procedures manual if it can be e-mailed, otherwise, on site.	Detailed general ledger for CSBG from 10/1/2008-9/30/2009.
Beginning and ending check numbers from the general checking account (not payroll) for the period of 10/1/2008 - 9/30/2009.	Trial balance for CSBG ARRA from 7/1/2009 to day of review.
List of all employees charged directly (as opposed to indirectly) in whole or in part to CSBG from 10/1/2008-9/30/2009.	Detailed general ledger for CSBG ARRA from 7/1/2009 to day of review.
List of all employees charged directly in whole or in part to CSBG ARRA from 7/1/2009 to present.	Supporting invoices as requested (will be testing 40 expenditures chosen at random agency wide as well as CSBG and CSBG ARRA expenditures judgmentally selected)
Description of how general and administrative costs are compiled and spread or a copy of the indirect cost rate letter from the U.S. DHHS.	Supporting detail of payroll as requested (time sheets, personnel file, and payroll journal). Will be testing personnel charged to CSBG and CSBG ARRA)
A general description of any risk assessments performed by the Agency.	Detailed general ledger of general and administration costs from 10/1/2008-9/30/2009.
	Copies of all bank statements and reconciliations for all cash accounts at 9/30/2009.

**The fiscal review will also include:**

A review of internal controls of the cash disbursements and payroll cycles - Agency wide

Reconciliation of CSBG and CSBG ARRA revenue with State of Maine DHHS disbursements.

A review of accounts payable for CSBG at 9/30/2008.

A review of the monitoring procedures in place for agencies with CSBG ARRA sub-recipient agreements (KVCAP, PROP, Washington Hancock and York).

Other inquiries as necessary as a result of the fiscal monitoring visit.

## **SECTION IX – Program Monitoring**

### **CSBG PROGRAM SPECIALIST**



## **DESK MONITORING**

The CSU Program Coordinator is the key contact person between the Community Action Agency (CAA) and the state community services unit (CSU). Desk monitoring of CSBG agency contracts is an ongoing process performed by CSU and the Agreement Administrator at Purchased Services, to review the month-to-month and quarterly activities of the CAA and to assist with any questions or problems that may arise throughout the program year. Desk monitoring includes the following:

### **Method of Payment and Review of Quarterly Financial Reports**

The Department pays the CAA 12 monthly payments; the total amount of the payments will not exceed the agreement amount. Payments may be adjusted on a quarterly basis, based upon the level of expenditures as reported on the quarterly financial reports as indicated in Rider A of the agreement.

#### Quarterly Financial Report:

Once approved by the Purchased Services Agreement Administrator, the quarterly financial report is forwarded to the DHHS finance department. The Agreement Administrator is charged with the responsibility to ensure that the CAA is submitting the required financial reports on a timely basis. Payments to CAA are adjusted as needed.

### **Review of Quarterly Program Performance Reports**

The CAA is required to submit quarterly program performance reports as required by the work plan in Rider A and additional program requirements in Rider E included with each fiscal year application. The work plan is part of the binding contract with the state. The CSU Program Specialist is charged with the responsibility to ensure that the CAA is submitting the required reports on a timely basis. The Program Specialist reviews the progress reports on a bi-annual and annual basis and discusses the contents of these reports with designated CAA staff. The objective of this review is to assist the CAA report their performance in meeting the six national ROMA goals in assisting Maine residents with low incomes.



## BOARD MEETING ATTENDANCE REPORT

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Agency: \_\_\_\_\_ Contract #: \_\_\_\_\_

CSU Program Specialist/Representative: \_\_\_\_\_

Meeting Called to Order: \_\_\_\_\_ (date/time)

Meeting Chaired by: \_\_\_\_\_

Current Size of Board: \_\_\_\_\_ Total Board Members Present: \_\_\_\_\_

Were meeting notice, agenda, and minutes distributed prior to the meeting? [ ]Y [ ]N

How far in advance? \_\_\_\_\_

Was attendance taken? ..... [ ]Y [ ]N

Title of person responsible for keeping attendance records: \_\_\_\_\_

Was a quorum present at the meeting? ..... [ ]Y [ ]N

Were the minutes of the previous meeting reviewed and approved? ..... [ ]Y [ ]N

If applicable, were corrections made to previous minutes? ..... [ ]Y [ ]N

### Executive Director's Report

Presentation of report: [ ] Written [ ] Oral

Highlights of report as presented:

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Recommendations for Board actions:

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## BOARD MEETING ATTENDANCE REPORT

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Agency: \_\_\_\_\_ Contract #: \_\_\_\_\_

### Financial Report

Presentation of report: ☐ Written ☐ Oral

Highlights of report as presented:

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### Committee Reports:

The committees presenting a report:

_____	_____
_____	_____
_____	_____
_____	_____

### Program Reports:

Presentation of report: ☐ Written ☐ Oral

Highlights of report as presented:

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### Old/New Business:

Highlights, if applicable:

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## BOARD MEETING ATTENDANCE REPORT

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Agency: \_\_\_\_\_ Contract #: \_\_\_\_\_

Time Adjourned: \_\_\_\_\_

Program Specialist observations/comments, including, but not limited to:

Board member preparedness:

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Meeting procedures followed:

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Adequacy of physical arrangements (i.e., tables/chairs, room size, acoustics, translation/interpretation, services, etc.):

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Other comments:

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Was the prepared agenda followed? ..... [ ] Y [ ] N

**State Community Services Unit  
Community Services Block Grant  
Monitoring Tool for Program Specialists**

**Agency:** \_\_\_\_\_ **Contract Number:** \_\_\_\_\_  
**Program Specialist:** \_\_\_\_\_ **Date of Visit:** \_\_\_\_\_  
**Agency Staff involved in review:** \_\_\_\_\_

**Date of last onsite review:**

Outstanding findings/recommendations from previous review: \_\_\_\_ No \_\_\_\_ Yes

*Was a CSBG Pre-Visit Questionnaire mailed out to the agency at least two weeks in advance of the scheduled onsite visit?*

*Did the agency complete and return the questionnaire?*

*In preparation for the onsite visit, review the agency's current contract file including log notes and correspondence to determine the following:*

<b>REPORTING REQUIREMENTS-</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Is the agency submitting the financial reports on a timely basis?			
Is sufficient documentation submitted with each financial report to support the expenditures reported?			
Are expenditures reported by the agency to date within the budgeted amounts by category per the contract?			
If reported expenditures exceed budgeted amounts by line item, has the agency requested an amendment to the original budget and/or provided adequate explanation for any significant variances?			
Is the agency on track to draw down the remaining balance of the award within the contract period?			
Has the agency submitted required quarterly reports (Form 508-A) on a timely basis?			
Is the agency participating in the ROMA system for measuring performance and results?			
Based on the reports submitted to CSU, does the agency demonstrate that they understand National Indicators?			

*Review the agency's Board roster, information provided by the agency on the CSBG pre-visit questionnaire, and interview appropriate agency staff to complete the following:*

<b>BOARD GOVERNANCE SYSTEM and COMPOSITION</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Does the agency have a Tripartite Board in place to oversee its CSBG programs?			
Does the CSU have a copy of the most recent Board roster?			
Does the Board roster include the name, title, address, sector represented, date appointed or elected, and term expiration date for all Board members?			
Do representatives of Maine with low incomes reside in the neighborhood from which they were elected?			

<b>BOARD GOVERNANCE SYSTEM and COMPOSITION (continued)</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Does CSU have a copy of the most current Bylaws?			
Is there a Code of Ethics for the Board?			
Procedure for public petition for adequate board representation?			
Is the Mission Statement in the agency's Board Manual?			
Does the Board approve the agency's annual budget?			
Does the Board approve the agency's policies?			
Do Board members receive ROMA training?			
What is the date of the last ROMA training meeting conducted for the Board? _____			
Does the Board have committees structured to fully address its fiduciary and governance responsibilities?			
Does the Board have an adequate system for the orientation of new Board members?			

<b>Elected Public Officials</b>	<b>Number of seats:</b>		<b>Number of vacancies:</b>	
<b>Low-Income Representatives</b>	<b>Number of seats:</b>		<b>Number of vacancies:</b>	
<b>Private Sector Individuals</b>	<b>Number of seats:</b>		<b>Number of vacancies:</b>	

*Review the Minutes of the agency's Board meetings from at least the previous four meetings to determine the following:*

<b>BOARD MEETINGS AND MINUTES</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
How often does the Tripartite Board meet?			
Notice of regular Board meetings being open to the public?			
Have 25% of either public or low-income sector Board seats remained vacant for more than 90 days?			
Does Board follow Bylaws for such issues as membership, removal due to lack of attendance, etc.?			
Has agency insured no vacancies in membership overall and by sector?			

Has CSU been provided with a schedule of Board meetings?			
What is date of the most recent Board meeting attended by the Program Specialist? _____			
Have all Board Minutes been submitted to CSU?			
Do Minutes list Board members in attendance and absent?			
Was there a quorum present at each scheduled Board meeting for which Minutes were reviewed?			
Do Minutes indicate that Board members are aware of their roles and responsibilities in regards to the CSBG program?			
Do Minutes indicate the Board fully participates in the development, planning, implementation, and evaluation of CSBG?			
Are financial reports communicated regularly to the agency's Board and policy groups?			
Is the Board provided with <u>current</u> financial information?			
Is there evidence in the minutes that the Board uses community needs and service gap analysis to establish service priorities and adopt program objectives?			
Does the Board monitor staff development/training needs, plans and outcomes?			
Does the Board monitor program performance by comparing outcome goals to outcomes achieved?			
Does the Board formally evaluate major programs every three to five years, including regulatory compliance and outcome analysis?			

***Based on previous knowledge of the agency's operations and the updated information gathered during the current review, assess the agency staff assigned to CSBG program:***

<b>PERSONNEL</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Does the agency have adequate staff assigned to administer the CSBG program activities effectively and efficiently?			
Did agency staff involved in the onsite review demonstrate knowledge of CSBG program guidelines and procedures?			
Has the agency experienced recent turnover in staff assigned to administer the CSBG program?			
Are all staff positions identified in the CSBG Contract application, and any amendments thereto, filled?			
Are all staff members performing the duties described in the job descriptions submitted when the CSBG contract was negotiated?			

***Review a sampling of client files to determine the following:***

<b>CLIENT FILES/ELIGIBILITY</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Is a client file maintained for each person served?			
Does the form used for determining client eligibility identify all			

eligibility criteria and the documentation used in making the determination?			
For clients receiving direct services, is income documented for all members of the household 18 years and older?			
Is there evidence in the client files reviewed that the agency has procedures in place to verify income amounts and family size as stated in the application?			
Is the agency using the appropriate HHS poverty guidelines to determine eligibility?			
Does the agency limit eligibility to clients at or below 150% of the HHS poverty guidelines?			
Do intake forms include client characteristics necessary for the agency to file accurate demographic reports?			
Does the client signature section of the intake form include a self-declaration statement that the information provided is true and correct, to the best of the applicant's knowledge?			
Do client files contain information regarding types of assistance and dates of services provided?			
Do client files contain a log describing the nature of the service(s) provided, including the date and amount of such services?			
Are proper procedures in place for case management, and is adequate client information and follow-up documented?			

<b>CLIENT FILES/ELIGIBILITY (continued)</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Does the agency have in place an effective system for tracking and reporting the number of clients transferring out of poverty as a result of the services provided by the agency?			
Does the agency link with other programs in the community when services required are beyond the agency's scope?			
Are referrals documented in the client files?			
Did the agency document follow-up activities?			
Is there evidence that applicants were apprised of grievance procedures if services were denied?			

*Review current year budget for direct services line item(s). If the agency has set aside monies for direct services, review a sample of client files served with direct CSBG program funds to address the following (skip this section if no direct services are provided):*

<b>CLIENT FILES – DIRECT SERVICES</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Does the agency take a new program application once each contract year? If not, how does the agency ensure on-going eligibility?			
Is documentation such as a bill, voucher, and/or copy of the check retained in the client file for services provided?			
Are persons first-time served and service units being counted			

correctly?			
Were detailed case management activities thoroughly documented in the client files?			
Were client goals mutually agreed to and documented?			
Were efforts to achieve goals documented?			
Were goals oriented toward self-sufficiency?			
Are the services provided consistent with the program narrative and Scope of Work?			
Does the agency link with other programs in the community or area when services are beyond the agency's scope?			
Is the agency taking appropriate steps to ensure privacy and confidentiality of client information, such as secure files, confidentiality policies, private consultation space, etc.?			
Are client records maintained for at least three years?			

*Address the following questions after reviewing a sampling of client files:*

SUMMARY OF REVIEW OF CLIENT FILES		Yes	No	N/A	Comments
	Did the review of the client files sampled indicate that all clients provided services were eligible? If not, indicate the number of clients determined ineligible and/or unverifiable in each service category.				
	Did the review of the documentation indicate that the services have impacted on client self-sufficiency?				

## PROGRAM PERFORMANCE REVIEW

*As part of the exit interview, and based on information obtained during the monitoring visit, discuss the following with the agency's Executive Director or other responsible staff:*

PROGRAM OBJECTIVES	Yes	No	Comments
Are all of the counties and/or municipalities in the agency's service area served equitably?			
Is the agency gathering and tracking all information needed to complete the CSBG program reports?			
Are program outcomes sufficiently documented?			
Is the agency on track to meet the goals and objectives stated in the application and Scope of Work by the end of the contract period?			
Is the agency utilizing all of its current year performance measures in its service delivery area to measure outcomes?			
Is the agency fulfilling its responsibility to establish and maintain an effective internal control system to ensure that: <ul style="list-style-type: none"> <li>a. Appropriate goals and outcome measures are met;</li> <li>b. Resources are safeguarded;</li> </ul>			



c. Rules and regulations are followed; and d. Reliable data are obtained, maintained and fairly disclosed.			
Is the agency fulfilling its responsibility to use resources efficiently, economically, and effectively to achieve the purposes for which the CSBG funding was provided?			
Does the number of unduplicated persons served on the quarterly reports submitted to CSU reconcile to the numbers from the monthly summaries and tally sheets?			

<b>ROMA REPORTING</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Has the sub-recipient received outcome/ROMA training from CSU and/or MCAA?			
Has the agency developed a system, or does the agency use the existing ROMA system, to provide a description of outcome measures to be used to measure performance in promoting self-sufficiency, family stability, and community revitalization? <i>Reference: CSBG Contract, Rider A, Attachment III. B. NPI Goals and Strategies</i>			

<b>GENERAL OPERATIONAL ISSUES</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Are all client service locations, services provided, and hours of operation accessible to persons with disabilities (to the extent feasible)?			
Has the agency taken appropriate steps to address language barriers with the clientele in their service area?			

## **SUMMARY OF ONSITE MONITORING VISIT**

*Based on information obtained from completing this checklist, a review of information provided in the questionnaire and interviews with various agency personnel, briefly describe any training or technical assistance needs identified during the monitoring process:*

*Briefly describe any instance(s) of noncompliance and/or areas that require corrective action:*

*Notes regarding corrective actions and/or recommendations for follow-up activities, including time frame and expected results:*

*Strengths/accomplishments noted since last onsite visit:*

\_\_\_\_\_  
(CSU Program Specialist)

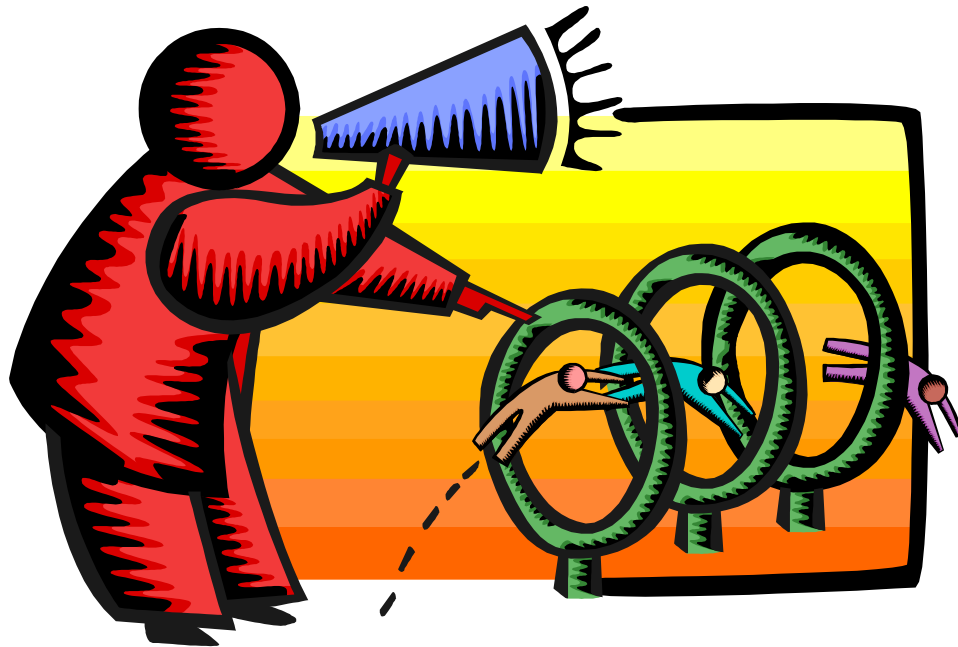
\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Sub recipient Representative and Title)

\_\_\_\_\_  
(Date)

# SECTION X

## FISCAL MONITORING



# STATE COMMUNITY SERVICES OFFICE CSBG ONSITE FISCAL MONITORING GUIDE

(Agency)

(Contract No.)

(Contract Period)

## FINANCIAL REVIEW

GENERAL FINANCIAL SYSTEM ISSUES	Yes	No	N/A	Comments
Does the agency have formal, written accounting procedures to determine whether costs are allowable, allocable, reasonable, and that costs are charged during the appropriate funding period?				
Do the written procedures reflect current practice?				
Does the agency have an operational budget?				
Has the CSBG budget been amended or modified since the original encumbrance?				
Does the agency frequently compare actual versus budgeted costs?				
Were expenditures claimed on the initial budget forms incurred by the sub-recipient within the term of the contract?				
Did the agency submit a final close out report within 30 days after termination of the contract as required? <small>Reference: CSBG Contract. Submission of reports past the due date will be a finding.</small>				
For the term of the contract, were expenditures claimed within the CSBG Contract budget?				
Can the amount of funds released by CSU be traced to amounts posted in the Cash Receipts Journal?				
Can the amounts posted to the cash receipts journal be traced to bank deposit receipts and/or deposits listed on the sub-recipient's bank statement(s)?				

*Randomly select at least three Quarterly Financial forms from those submitted to Purchased Services and compare with copies from the agency's files. Review the agency's general ledger, work papers and/or other reports used to compile the amounts reported on the Quarterly Budget forms to address the following:*

REVIEW OF QUARTERLY FINANCIAL FORMS	Yes	No	N/A	Comments
Do the amounts on the quarterly financial forms from the agency's files agree with amounts on the quarterly financial forms from Purchased Services files?				
Can the amounts entered on the quarterly financial forms be reconciled to the agency's general ledger or other financial reports used to compile the amounts reported on the quarterly financial forms?				

Can general ledger postings be traced to the original books of entry?				
Were all amounts reported on the selected quarterly financial forms free of clerical errors?				

**FINANCIAL REVIEW (continued)**

*Select a random sample of disbursements included in the expenditures reported on the quarterly financial forms above and review supporting documentation such as vendor invoices, statements, purchase orders, canceled checks (or digital images thereof), vouchers, receipts, etc. to address the following questions:*

<b>CASH DISBURSEMENT TESTS</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Is the supporting documentation adequate?				
Is there evidence of proper authorization by appropriate agency staff for purchase orders and requisitions?				
Are all general ledger entries traceable to source documentation?				
Do any of the expenditures examined appear to be non-allowable under CSBG rules and regulations?				
Can the amounts posted to the cash disbursements journal be traced to canceled checks/digital images or debits posted to the agency's account by the bank?				
Are the amounts and dates of checks processed by the bank consistent with the postings to the agency's cash disbursements journal?				
Were any checks written payable to "Cash" as payee?				
Are at least two signatures required on all checks?				
Were all checks properly co-signed by authorized personnel?				

*Interview the agency's fiscal officer and other staff responsible for maintaining the accounting system and review appropriate accounting records to determine the following:*

<b>ACCOUNTING SYSTEM REVIEW</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are bank statements reconciled monthly to the general ledger?				
Are there any checks outstanding for more than 90 days?				
Is a separate bank account maintained for CSBG funds received from CSU?				
If CSBG funds are in an interest bearing account, is interest earned allocated back to the program?				
Has agency assured that no CSBG funds have been used to pay late fees to IRS or other penalties?				
Does the agency have a cost allocation plan?				
Do written procedures ensure items of cost such as rent, utilities and other shared costs are equitably charged and				

allowable?				
Do administrative and indirect costs charged to the program have supporting documentation to form the basis for amounts charged to the program?				

### **FINANCIAL REVIEW (continued)**

<b>ACCOUNTING SYSTEM REVIEW (continued)</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are allocated administrative costs and indirect costs posted to the general ledger on a timely basis?				
Does the agency maintain blanket fidelity bond coverage for programs supported by the contract? <i>Methodology: Review documentation to support the current policy.</i>				
Is there a system of control for the accounting of gas vouchers, motel vouchers, bus tickets and other direct services provided with CSBG funds? <i>Methodology: If yes, document procedure.</i>				
Does the agency pay all payroll taxes, Workers' Compensation premiums, and other insurance premiums on a timely basis?				
Can payroll tax payments be verified?				
Can Workers' Compensation premium payments be verified?				
Overall, is there a clear audit trail for all expenditures charged to the CSBG grant?				
Does the agency have procedures in effect regarding retention of their records for a period of five years?				

### **Other considerations:**

How healthy is the agency's cash balances? Is the agency surviving month-to-month, or is there an ample cushion of funds available to sustain operations in the event CSU or other funding is interrupted or terminated?

Review the agency's most recent A/R Aging Report. Are there any questionable amounts listed for programs funded through CSU?

Review the agency's most recent A/P Detail Report. Is the agency paying its bills on time, thus avoiding late charges and fees? Are there any questionable items or old unpaid bills on the A/P ageing report?

### **Examples of non-allowable costs:**

Bad debts, entertainment;, fines and/or penalties; certain interest or other financial costs; loan processing costs; ineligible acquisition or construction of shelter; costs to renovate, rehabilitate, or convert buildings owned by religious organizations; inspections; preparation of work spec, activities that would result in displacement of a place of business; and lobbying or other political activities.

## PROCUREMENT

GENERAL PROCUREMENT POLICIES	Yes	No	N/A	Comments
Does the agency have written procurement policies and procedures for small purchases, sealed bid, competitive negotiations, non-competitive negotiations, and alternative procedures?				
Did the agency obtain advanced, written approval from CSU for the purchase of any property with a unit acquisition cost of \$5,000 or more? <i>Methodology: Review QF report summary for any cumulative expenditures under the Equipment line item. Ask Fiscal Officer to provide list of all equipment purchases greater than \$5,000. Review procurement process followed.</i>				
Has the agency assured that a competitive bid process was used to procure services, e.g., Insurance? Lease agreements? Rental agreements? Contractual agreements? Any other items requiring procurement? <i>Methodology: Refer to the current budget and review the actual supporting documentation.</i>				
If other than small purchase method was used, did the agency enter into written contract with sub-contractor(s)? <i>Methodology: Review a sampling of procurement contracts. Does the contract contain the following provisions:</i>				

***Review a sampling of procurement contracts to determine if the standard contract used by the agency contains the following provisions:***

PROCUREMENT CONTRACTIONS	Yes	No	N/A	Comments
a. Administrative, contractual or legal remedies				
b. Early termination				
c. For contracts in excess of \$10,000, compliance with Executive Order 11246 "Equal Employment Opportunity"				
d. Copeland "anti-kickback" Act				
e. For contracts in excess of \$2,500, Contract Work Hours and Safety Standards Act				
f. Hold harmless				
g. Conflict of interest and nepotism				
h. Prohibit political activity				
i. Fraud and abuse				
j. Amend contract				
k. Legal authority to sign contract				
l. Access to records				
m. Four year record retention				
n. Non-discrimination provision				

**NOTES:**



## SUBCONTRACTS and SUB-GRANTEES

SUBCONTRACTORS/SUBGRANTEES	Yes	No	N/A	Comments
Does the agency sub-contract for any of the services provided under the CSBG award?				
Total # of sub-grantees during the grant period _____				
# of counties _____ municipalities _____ served				
If the agency has sub-grantees, were all sub-contracts identified in the contract available for review?				
Was a fully executed contract in place for all of the agency's sub-grantees?				
Do contracts for sub-contracted services include a provision that the sub-grantee must follow state procurement requirements and the fiscal requirements of agency's contract with CSU? <i>Reference: CSBG Contract, Attachment B, Item 8</i>				
Are the amounts and activities of the sub-grantees consistent with the descriptions in the contract?				
Is there evidence the agency monitors its sub-grantees for contract compliance? How often are sub-grantees monitored? _____ <i>Reference: CSBG Contract, Attachment B, Sec. 8; OMB A-133</i>				
Were sub-grantees conducting their contracted activities and maintaining adequate supporting documentation?				
Were funds used only for allowable expenses?				
If the agency utilized a sub-grantee in the previous year, did the sub-grantee meet its goals? <b>If not, was corrective action taken?</b>				
Did a sub-grantee identify any concerns that could not be satisfactorily addressed by the CAA?				
If any services were sub-contracted in addition to those identified in the contract, was prior approval given by CSU?				
Does the agency's method of selecting service providers for sub-contracts ensure fair competition to all interested parties?				
Is there evidence that women and minority sub-grantees were actively recruited?				
Does the agency have procedures in place to ensure that sub-grantees have current insurance policies for blanket fidelity bond coverage; comprehensive general liability; directors and officers liability; umbrella excess liability; professional liability?				
Is there proof that sub-grantees have insurance?				
If client/participant interviews were conducted, were the clients/participants satisfied with the sub-grantee's service?				

## AUDIT

REVIEW OF AUDITED FINANCIAL STATEMENTS	Yes	No	N/A	Comments
Is the agency subject to the single-audit provisions of OMB Circular A-133?				
Was CSBG selected as a major program?				
Have audit findings, if any, been discussed with the Board of Directors and with sub-recipient's staff? <i>Methodology: Discuss finding(s) and note in monitoring report.</i>				
Has the audit certification letter, if required, been submitted to CSU?				
Has the agency submitted the most current audit report to CSU? If not, when is/was the due date? <i>Methodology: Contact CSU Division of Audit</i> <i>Reference: OMB Circular A-133</i>				
Are there any unresolved audit findings? If yes, what is the status of these findings? <i>Methodology: Contact CSU Division of Audit</i>				
Have funds from the CSBG contract been allocated to pay for an audit? <i>Methodology: Review fiscal records.</i>				
Has the audit expense been contractually charged to administration for CSBG? <i>Methodology: Review fiscal records</i>				
Has the sub-recipient used a competitive solicitation process in the last four (4) years to procure audit services? <i>Methodology: Review most recent audit package including type of solicitation of bids, bids from audit firms which responded, scoring criteria, and justification used to choose the firm.</i>				

## PRIOR MONITORING

*For the following, review previous monitoring reports and findings. If not satisfactorily resolved, list any unresolved findings in the current monitoring report.*

REVIEW OF PRIOR MONITORING REPORTS	Yes	No	N/A	Comments
Have all financial corrective action requirements from the previous monitoring reports been satisfactorily addressed?				
Have all programmatic corrective action requirements from the previous monitoring reports been satisfactorily addressed?				
Have all administrative corrective action requirements from the previous monitoring reports been satisfactorily addressed?				
Other than the annual independent audit, has the agency had any of its programs reviewed by representatives of other funding sources, such as Head Start <i>Prism</i> ?				

## PERSONNEL POLICIES AND PRACTICES

*Obtain and review a copy of the agency's personnel policies and procedure and interview the agency's fiscal officer to determine the following:*

GENERAL PERSONNEL POLICIES and PROCEDURES	Yes	No	N/A	Comments
Does the agency have written personnel policies and procedures?				
Is there a provision in the personnel policies to prohibit conflict of interest and nepotism?				
Do personnel policies correctly address sectarian activities? (Sectarian: an adherent of a sect; a narrow or bigoted person)				
Is there a provision to provide equal opportunity and prohibit discrimination on the basis of race, color, religion, sex, national origin, age, handicap, political affiliation or belief?				
Do personnel and EEO policies address a system by which discrimination complaints will be resolved?				
Is there a provision to prohibit political activity or lobbying?				
Is there a provision ensuring that any person reporting a violation by the sub-recipient shall not be discriminated against? ( <i>Whistle-Blower Policy</i> )				
Do personnel policies state that the sub-recipient may employ no board member during his/her service on the board, or for a period of twelve months thereafter?				
Are time and attendance records maintained for all staff charged to the CSBG contract?				
Does the agency use hourly distribution time sheets for employees paid from multiple funding sources?				

*If the agency does use hourly distribution time sheets, obtain a roster of program support staff from the agency. Select a sample of employees and review a sample of timesheets for employees whose time is charged to multiple sources to determine the following:*

TIME AND ATTENDANCE RECORDS	Yes	No	N/A	Comments
Do the timesheets substantiate expenditures charged to CSBG program?				
Do time and attendance records reflect the percentage of time charged to the program as indicated in the contract?				
Are positions charged to the correct categories? ( <i>Case Management, Direct Services, Support and Admin.</i> )				
Are timesheets signed by an appropriate supervisor or designated authority?				

***Review a random sample of disbursements identified as travel and/or reimbursements and related employees' reconciled travel vouchers and other supporting documentation to determine the following:***

<b>TRAVEL POLICIES</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Does the agency follow either a Board approved travel policy or CSU travel policy?				
Are travel reconciliations (specifically advances) submitted in a timely manner, in accordance with the sub-recipient's policy?				
Are the travel expenditures allowable?				
Is the supporting documentation adequate, including appropriate justification for travel costs incurred?				
Does the agency maintain documentation on employee mileage reimbursements?				
Are travel expenses charged to the correct categories? (Case Management, Direct Services Support, Administration)				

## **RELATED PARTIES AND CONFLICTS OF INTEREST**

<b>RELATED PARTY TRANSACTIONS</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Did the agency declare any related party transactions in the CSBG Contract?				
<p>During the onsite monitoring review, were there any instances noted where the agency made any payments for goods, services, facilities, salaries/wages, professional fees, leases, etc., to related parties for expenditures charged to the CSBG contract without the prior written consent of CSU?</p> <p><i>Reference: CSBG Contract, Item 10. Related Parties, for the purposes of the CSGB Contract, shall mean organizations/persons related to the Contractor by any of the following: blood, marriage, one or more partners in common with the Contractor, one or more directors or officers in common with the Contractor, and/or more than 10% common ownership, direct or indirect, with the Contractor.</i></p>				

***Briefly describe any related party transactions and/or conflict of interest situations noted during onsite fiscal review:***

## ADMINISTRATIVE

GENERAL	Yes	No	N/A	Comments
Does the agency maintain all issuances and memoranda regarding CSBG funding in a centralized file or notebook?				
Does agency staff have access to CSBG guidelines?				

*Obtain and review a copy of the agency's Bylaws to address the following:*

BYLAWS	Yes	No	N/A	Comments
How many Board members do the Bylaws specify?				
How often is the Board required to meet?				
What is the date the Board last reviewed the Bylaws?				
Does CSU have a copy of the sub-recipient's most recent Bylaws?				
Do Bylaws specify a method for selection that is appropriate for each Board sector?				
Do Bylaws contain an acceptable limitation on board service for representatives of the private and poverty sectors?				
Do Bylaws address non-discrimination policies?				
Do Bylaws state that decisions made in closed session must be finalized in a meeting open to the public?				
Do Bylaws state that written minutes of all open meetings shall be kept?				
Do Bylaws state that written advance notice, including an agenda, shall be given to the Board members 5 days in advance of Board meetings?				
Do Bylaws state that public notices shall be posted at least 72 hours prior to the time of the meeting?				

*Obtain the most current roster of the agency's Board of Directors and extract the following information:*

BOARD COMPOSITION	Yes	No	N/A	Comments
Is the composition of the Board appropriate, e.g., at least 1/3 democratically elected representatives of individuals with low-income and at least 1/3 elected officials or their representatives?				
Does the agency have in place a tripartite board to administer their CSBG program?				
Are election/selection procedures in accordance with agency Bylaws and CSBG policy issuance?				

Elected Public Officials	Low-Income Representatives	Private Sector Representatives
# of Seats _____	# of Seats _____	# of Seats _____
# of Vacancies _____	# of Vacancies _____	# of Vacancies _____

*Review the current Board Roster and Board minutes from at least the previous four meetings to determine the following:*

<b>BOARD GOVERNANCE SYSTEM</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are private and poverty sector Board members within the limitations on Board service?				
Has agency ensured there are no vacancies in Board membership, both overall and by sector?				
Are Board meetings conducted at least once every 10 weeks, or quarterly, at a minimum?				
Do the Minutes list Board members in attendance at Board meetings and other guests present?				
Is there evidence in the minutes that the Board receives programmatic and financial information relating to CSBG and all other programs?				
Did the review of the Minutes support that the Board fully participates in the development, planning, implementation, and evaluation of the CSBG program?				
Do the Minutes accurately reflect the actions taken at Board meetings, including the exact wording of motions?				
Does the Board follow the Bylaws for such issues as Board membership, removing Board members for lack of attendance, etc.?				
Is the Board active and engaged in fulfilling the mission of the agency?				
Is the Board a true policy-making body, or does the Board wander into operational or procedural matters (micro-managing the agency)?				
Does the Board serve primarily as a “rubber stamp” for the agency’s Executive Director?				

**NOTES:**

## **SUMMARY OF ONSITE FISCAL REVIEW**

*Based on information obtained from completing the forgoing checklist, a review of information provided in the Internal Control Questionnaire, and interviews with various agency personnel, briefly describe any training or technical assistance needs identified during the monitoring process:*

*Briefly describe any instance(s) of noncompliance and/or areas that require improvement:*

*Notes regarding recommendations for corrective actions and/or follow-up activities, including time frame and expected results:*

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**(CSU Fiscal Reviewer)**

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**(Date)**

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**(Sub-recipient Representative and Title)**

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**(Date)**

## **Internal Control Evaluation Checklist**

**Grantee** \_\_\_\_\_ **Contact Person** \_\_\_\_\_

**Contract Number:** \_\_\_\_\_

**Contract Period:** \_\_\_\_\_

<b>CASH RECEIPTS</b>	<b>Yes</b>	<b>No</b>
Have procedures been established to notify the program director and other appropriate personnel when funds are deposited directly into the grantee's bank account?		
Is there a policy requiring that all cash receipts should be recorded promptly and deposited intact daily or at appropriate intervals (within three working days)?		
Are duplicate deposit slips prepared, so that the bank can process one copy and return the other for checking against the cash receipts record?		
Is the person responsible for receiving cash without authority to sign checks and reconcile bank accounts?		
Was all staff handling cash covered by a Fidelity Bond?		

<b>CASH DISBURSEMENTS</b>	<b>Yes</b>	<b>No</b>
Are checks controlled and accounted for with safeguards over unused, returned, and voided checks?		
Is the drawing of checks payable to "cash" or "bearer" prohibited?		
Are unused checks kept in a secure area?		
Is there an enforced rule against signing checks in advance?		
If check-signing plates are used, are they adequately controlled and maintained by a responsible official who reviews and accounts for prepared checks?		
Are two signatures required on all checks over a stated amount? If yes, what amount has been established? \$ _____		
Are check signers responsible officials or employees of the organization?		
Is there sufficient separation of duties to ensure effective control over preparation, authorization/certification, and distribution of checks?		

<b>PETTY CASH</b>	<b>Yes</b>	<b>No</b>
Is petty cash reimbursed by check, and are disbursements reviewed and reconciled at that time?		
Are petty cash receipts cancelled upon reimbursement of the fund to prevent reuse?		

<b>PURCHASING</b>	<b>Yes</b>	<b>No</b>
Do supporting documents, such as invoices, purchase orders, and receiving reports, accompany checks when presented for check signers' review?		



<b>PURCHASING (continued)</b>	<b>Yes</b>	<b>No</b>
Are extensions on invoices and applicable freight and other charges checked by appropriate personnel?		
Are vouchers and supporting documents appropriately cancelled (stamped or perforated) to prevent duplicate payments?		
Are checks adequately cross-referenced to vouchers?		
Are all disbursements, except those made from petty cash, made by check?		

<b>PAYROLL AND PERSONNEL</b>	<b>Yes</b>	<b>No</b>
Are personnel policies in writing?		
Are duties for key employees of the grantee defined?		
Is there an organization chart setting forth the actual lines of responsibility?		
Are there procedures to control time and attendance reporting?		
Are time cards and/or attendance sheets used?		
Is supervisory approval of time and/or attendance reports required?		
Are there procedures to insure that employees are paid in accordance with approved wage and salary rates?		
Is the distribution of payroll charges checked, and are aggregate amounts compared to the approved budget?		
Are authorizations on file to support the rates of pay, withholdings, and deductions for each employee?		
Are payroll checks distributed by persons not responsible for preparing the checks?		
Has the grantee obtained fidelity bond coverage for responsible officials and employees? (Indicate those covered and the amount of coverage).		

<b>BANK STATEMENTS</b>	<b>Yes</b>	<b>No</b>
Are bank statements received, and reconciliations prepared monthly, by someone other than the fiscal officer?		
Are old outstanding checks followed up on?		
Are deposits-in-transit reviewed for reasonableness?		

<b>ACCOUNTING POLICIES AND PROCEDURES</b>	<b>Yes</b>	<b>No</b>
Are written procedures maintained covering the recording of transactions, an accounting manual, and a chart of accounts?		
Does the grantee maintain a policy manual covering approval authority for financial transactions?		
Does the policy manual include guidelines for controlling expenditures, such as purchasing requirements and travel authorizations?		
Are duties separated so that no one individual has complete authority over an entire financial transaction?		
Are the grantee's financial records computerized?		
Are the accounting record kept up-to-date, and is a trial balance prepared at least monthly?		

<b>ACCOUNTING POLICIES AND PROCEDURES (continued)</b>	<b>Yes</b>	<b>No</b>
Are financial statements prepared and distributed to management periodically (monthly or quarterly)?		
Are general journal entries approved prior to posting?		
Are general journal entries supported by adequate explanations and/or supporting documentation?		
Do the procedures, chart of accounts, etc., provide for the identification and recording of all receipts and expenditures for the entire project as shown in the project budget?		
Have all non-cash transactions been properly explained/documented and recorded in the accounting records?		
Are accounting records and valuables secured in limited-access areas?		
Are individual contract registers or subsidiary schedules maintained for each contract awarded?		
Are subsidiary records for assets, accounts receivable, accounts payable and contract registers reconciled with control accounts on a regular basis?		
Does the grantee have a cost allocation plan?		
Did administrative and indirect costs charged to the program have supporting documentation to form the basis for amounts allocated?		
Were allocated costs posted to the general ledger on a timely basis?		

<b>INDEPENDENT FINANCIAL AUDIT</b>	<b>Yes</b>	<b>No</b>
What is the expected date the audit requirement for this contract will be completed by? _____		
Does the grantee have a competitive procurement process to select an auditor?		
If no, explain the selection process: _____		
What is the time period of the most recent audit report? From: _____ To: _____		
Was the audit report completed and submitted to the Department of Community and Culture no later than nine (9) months from the last date of the organization's fiscal year?		
Were accounting records and financial statements auditable based on the auditor's opinion and the cover letter?		
Were internal controls found to be adequate to properly account for revenues, expenditures and project assets?		
Were there any findings or concerns expressed regarding the expenditures of CSU funds or any compliance issue identified?		
If yes, briefly list findings: _____ _____		
If there were any audit findings, has CSU staff prepared a written inquiry to the grantee requesting a written response to the auditor's findings or concerns?		

<b>AUDIT (continued)</b>	<b>Yes</b>	<b>No</b>
Has the grantee responded to the audit findings?		
If yes, was the grantee's response acceptable?		
If no, explain: _____		
Has the grantee taken corrective action, or will corrective action be taken within six (6) months of the receipt of the audit report by the grantee?		
If appropriate officials were not promptly informed, explain:		
If yes, were appropriate local, state and/or federal officials informed promptly? (Obtain copies of correspondence).		
Did the auditor identify any illegal acts and/or irregularities?		
If yes, list the illegal acts and/or irregularities identified by the auditor: _____		
If yes, were appropriate local, state and/or federal officials informed promptly?		

<b>SUMMARY AND CONCLUSIONS</b>	<b>Yes</b>	<b>No</b>
Based on the financial management monitoring, does the grantee:		
a. Have a financial management system that provides for accurate, current and complete disclosure of the financial results of the contract?		
b. Have records that adequately identify the source and use of funds for each activity?		
c. Have effective control over and accountability for all funds and assets?		
d. Have adequate control over property purchased with CSU funds?		
e. Have source documentation to support accounting records?		
f. Meet the requirements of bank accounts and interest?		
g. Meet grant agreement special conditions relative to the obligations or expenditure of CSU funds?		
Based on the available evidence, has the grantee complied with the audit requirements?		
Based on the audit report, has the grantee complied with all appropriate financial and program requirements pertaining to CSU program(s)?		

*Briefly describe the monitoring visit including information regarding the date(s) of the visit, other program(s) reviewed, agency staff interviewed, agency activities observed, subcontractors visited, and noted exemplary parts of the program:*

## **Exit Conference**

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Preliminary Summary of Findings and Need for Corrective Action(s):

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As a result of the monitoring visit, the following need(s) for technical assistance have been identified:

If appropriate, indicate a scheduled date for a follow-up, onsite visit to assess the implementation of corrective actions: \_\_\_\_\_

\_\_\_\_\_  
*(Agency Representative)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(CSU Fiscal Reviewer)*

\_\_\_\_\_  
*(Date)*

## **SECTION XI**

### **CONCLUDING THE ONSITE VISIT**

#### **AND**

### **ISSUING THE REPORT**



## **CONCLUDING THE ONSITE REVIEW**

### **The Exit Conference**

The forgoing tools and checklists were designed to provide guidance for CSU/Fiscal staff to conduct an overall comprehensive review of the CAA's operations. Throughout both the programmatic and fiscal review process there should be ongoing, open communication with the CAA's staff to facilitate clarification of facts and prevent misunderstandings, provide the reviewer with a full understanding of the CAA's operations, and provide the CAA with a full understanding of the monitoring process.

CSU/fiscal staff should strive to ground their judgments in fact, based on what they hear, observe, or read. CSU/fiscal reviewers should document relevant details of the agency's activities and performance during the onsite visits, including taking notes while interviewing agency staff and during their attendance at the agency's board meetings.

Preliminary areas of noncompliance should be summarized and discussed with CAA Executive Director and/or designated staff during the exit conference. Copies of specific documents, supporting schedules, and reports obtained during the site visit to facilitate preparation of the report should be discussed during the exit conference. The grantee is given the opportunity to provide comments and present additional information or explanation regarding a specific finding before it is included in the report.

### **The Report**

- **Findings and Required Corrective Action**

Each deficiency and/or area of noncompliance should be identified by a topic line, and include a brief description of how the grantee is out of compliance with a program requirement. A general narrative description should be provided for each finding. Each noted problem or deficiency should be presented in a logical manner, with reference to supporting evidence, and without ambiguity of meaning or confusion of terminology. The specific program requirement, OMB Circular reference, or other regulation should be cited, along with a clear explanation as to why the evidence gathered leads the CSU/Fiscal reviewer to conclude that the agency is not in compliance.

The report should include specific timelines for any required corrective action associated with each finding. Copies of the report should be mailed to CAA's Tripartite Board or Advisory Council Chairperson and the agency's Executive Director. A copy should also be provided to the CSU Program Coordinator and Program Specialist.

- **Observations and Recommendations**

The monitoring process includes reviewing, assessing, and evaluating the CAA's performance relative to the CSBG program. An underlying objective is to improve the quality and types of services provided to individuals/families with low-income.

CSU/fiscal staff should be cognizant throughout the review process of any policy, procedure, or other activity that, although it may not meet the criteria for designation as a reportable finding of noncompliance, presents the opportunity for potential improvement in the CAA's effectiveness and/or efficiency. Any such situation should be included in the report as an "Observation", and should be presented in a cause-and-effect format along with specific suggestions or recommendations for change.

Topics discussed in the observations and recommendations section may include elements of "best practices" noted while performing periodic reviews of other CAAs throughout the state. CSU encourages open communication and sharing of information as an integral component for addressing the various needs of the Maine residents with low incomes.

### **Grantee Response**

The CAA is required to respond in writing to each of the findings and observations mentioned in the report, including a detailed plan for taking corrective actions and implementing required changes. The initial response is due within 30 days from the date of the CSU/fiscal report. The CAA's plan for resolution and corrective action will be reviewed by CSU/fiscal staff, to ensure that all findings have been adequately addressed.

### **Resolution and Follow-Up Review**

CSU anticipates that most deficiencies and noncompliance issues can be resolved through telephone, email, or written correspondence.

If deemed necessary, an onsite follow-up review may be initiated and conducted for an agency that is determined to have a deficiency or area of noncompliance for which appropriate corrective action has not been taken within the timelines detailed in the report. During the follow-up review, each finding listed in the original report will be addressed and documented as being "corrected", "not corrected", or "corrective action in progress". Any uncorrected issues will continue to be documented in subsequent site visit reports until satisfactorily corrected or closed. Training and technical assistance will be provided by CSU as requested, to assist the CAA in ensuring resolution of all findings in a timely manner.

As stated elsewhere in this document, the ultimate goal is to have the CAA function independently, but with CSU support, in an effort to meet the needs of local communities within the parameters set by legislation. The State Community Services Unit is charged with the responsibility of ensuring compliance with federal regulations governing the CSBG program. It is the CAA Board of Directors' responsibility to ensure that agency operations are conducted in compliance with all Federal and State laws, regulations, and guidelines.

In the event a grantee is unable or unwilling to correct a specified area of noncompliance within the prescribed timeline, CSU may report the deficiency to HHS and may initiate proceedings to terminate the organization's designation as a community action agency.

### **Notes for improving the contents of the Comprehensive Monitoring Plan**

The CSU Program Specialist and fiscal monitoring staff are encouraged to provide feedback based on their experiences using the guides and tools included in this monitoring plan. At the conclusion of each review, please take a moment to note in the space below any procedures or questions that you may have felt uncomfortable with during the onsite visit. Also list any additional questions or procedures you think should be added to the various guides. The goal of CSU is to make the overall monitoring process as efficient and effective as possible. Any suggestions for improving the usefulness and effectiveness of these guides will be greatly appreciated.